

Profit or Perish: Today's University Presses

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The core mission of most university presses is to publish and disseminate scholarship, but the quality of scholarship is only one criterion for success as university presses face pressure to achieve a strong bottom line. All too often, the perceived sales potential of a book is considered equally, if not more important as university presses face mounting pressure to publish profitable books. The author explores the changing clients and practices of university presses, with particular focus on the implications for scholarship and the traditional missions of the presses. —Editors

The first university presses in America were established by the nation's leading universities to advance their work and reputations. Cornell University Press and the University of Pennsylvania Press began publishing in 1869; The Johns Hopkins University Press in 1878; University of Chicago Press in 1891; and the University of California Press and Columbia University Press in 1893. They were soon followed by many others. All published for the same primary reasons: first, to enable university faculty to disseminate their research internationally and second, to establish and sustain high scholarly standards. Professor Marsh Jeanneret, a scholar who has studied university publishing in depth, concluded that "the outstanding feature of a university press book is probably the thoroughness of the editorial preparation accorded the manuscript."¹ University presses have also been appreciated for their ability to keep books in print, for keeping prices down, and for pioneering publication in new disciplines.

Despite these contributions, however, universities—especially state universities—have been reassessing the complicated universe of scholarly publishing and no longer take supporting their presses for granted. Budget cuts have made conspicuous any department that requires a direct subsidy, and traditionally university presses have required subsidies. Many large commercial

publishers are able to make money in scholarly publishing and compete successfully for universities' most honored authors, which has prompted a set of hard questions: Why shouldn't university presses also be able to make money? With libraries running out of space and cash, isn't too much being published? What value does a university press add? What is a university press worth?

Now, as ever, the best answers come from the press's catalog in the books and articles that might not exist if the press did not publish them. The value of a press may not be as finely calibrated as a spectrogram, but it should be obvious in aggregate or examples. The worth of a press is determined by its influence in shaping a discipline, in advancing a discourse, in drawing attention to a university and in improving the work of individual scholars.ⁱⁱ

The traditional mission of a university press has been to publish and disseminate scholarship—and the quality of the scholarship has been the measure of the press. But in the past 20 or 30 years, other measures have come to the fore: income, margin and turnover. Precariously balanced on the bottom line, university presses have had to learn to compete in the trade. Harvard goes head to head with HarperCollins, Rutgers wrestles Random House, New England and Northeastern prowl New England, and Texas' five university presses maneuver around the giants of New York.ⁱⁱⁱ

In each case, it is an unequal contest. Book publishing is a \$26 billion industry in the United States;^{iv} university presses account for \$326 million, or about 1.2 percent, of that total.^v Around 150,000 new books were published in the United States in 2002, approximately 10,000 of them by university presses.

It is no easy thing to publish at a profit—and harder still for a university press that tries to fulfill its traditional mission. If deprived of subsidy but still expected to publish academic studies, university presses are then required to sell books that make money in order to publish those that don't. In this situation, the publication of scholarship can seem like a liability. State university presses, especially vulnerable to recent state budget cuts, have felt steadily increasing pressure to make their publishing pay for itself. More and more university presses feel the chill of the threat: profit or perish.

The Complex World of Commercial Publishing

In 2002 alone, more than 10,000 new publishers appeared in the United States.^{vi} Those who publish for the trade must confront a sobering statistic:

although the number of publishers has increased, the market is contracting. The publishing industry has steadily lost customers over the past several years; only a lift in both the buying rate and spending by the existing customer base has prevented it from slipping into a negative growth trend. In 1997 over 60 percent of American households bought at least one adult trade book; by 2002 that figure fell to 55.1 percent.^{vii} In terms of total books sold, university presses saw their market shrink by 3.1 percent in 1999 and another 4.8 percent in 2000.^{viii} Competition intensified as publishers strove to capture what market remained.

The “trade market”

Authors eagerly encourage university presses to enter the “trade market” and are delighted when their book is considered a “trade book” because they understand that a trade book is more likely to show up in bookstores—but precious few understand what a publisher must do to get the book there.

What exactly is a trade book? Simply put, it is a book sold to retailers at a “trade discount,” typically about 50 percent of the retail price. For instance, a book priced at \$30 but sold at a trade discount would earn the publisher \$15 per copy. An average print run for a university press book in 1960 was 2,000 copies; ^{ix} by 2000, the average run was 1,000 copies. With all else being equal, for 1,000 copies of a book sold at short discount, a publisher must sell 1,400 copies at a trade discount. Since the typical lifetime sale for academic books falls well below 1,000 copies, selling them at a trade discount is often self-destructive.

The trade market complicates the publishing process considerably. The progress of a book from a publisher to a library is plain and simple: A library can buy it directly from a publisher, but more likely via a blanket order to a library wholesaler. Once a book is sold, it stays sold. In this system, the wholesaler is the only intermediary; little can go wrong and costs are relatively low. A trade book, on the other hand, moves from publisher to wholesaler to retailer to buyer—who often is buying the book as a gift for someone else, who may not want it. If unsold at wholesale or retail, books loop back to the publisher as returns. A line becomes a circuit, opportunities for damage and error increase, books that seem to be sold may not be, and transaction costs double and triple.

Concentration of power

How hard is it to compete in the trade market? If the sheer number of publishers isn’t challenge enough, market power is heavily concentrated in the hands

of very few. In 2002, five mammoth publishers—Random House, Penguin, HarperCollins, Simon & Schuster, and TimeWarner Book Group— together reaped 45 percent of all book sales in the United States.^x The same year, these five shared 77 percent of the books on the New York Times Best-Seller List.

Consolidation of the book trade into the hands of a few powerful companies has raised alarm, but little action. Horizontal and vertical integration accelerated in the 1990s, abetting the steep decline in the number of independent bookstores—a trend that has been lamented since the decline began 40 years ago. In 1972, independent bookstores controlled 84 percent of the market; by 1983, shortly after chain bookstores first began expanding, the share fell to 71 percent; and by 2002, their market share had dropped to 15 percent.^{xi} As independents disappear, the market power of the chains increases—a power they are happy to exercise by making ever-greater demands on publishers.

While the chains continue to expand, their impact on local economies is not altogether salutary. A study conducted by Civic Economics, a sales analysis firm in Austin, Texas, concluded that for each \$100 spent on books at a national chain, only \$13 returned to the local economy. The same \$100 spent in a local independent bookstore would return \$45.^{xii}

When the chains began their aggressive expansion programs in the early 1990s, they looked like magicians, making more books more available and more appealing. Thus, the likelihood of reaching the interested buyer markedly increased and opportunities suddenly appeared for selling books to the impulse shopper. The chains bought books by the tens of thousands for their “superstores”, seeking to make these stores more attractive by offering the depth and diversity that university press books provided. But by 1996, the bloom fled the boom, and chains began returning large numbers of books that presses had thought were sold or patiently awaiting sale. Chains bought in bulk—and they returned in bulk—and university presses were caught by surprise, suddenly strapped with too little cash and too much inventory.

University bookstores

University bookstores are the traditional markets for academic publications. University faculties everywhere gripe about these bookstores giving better space to sweatshirts and pennants than to books. They should be grateful for any merchandise a college bookstore can sell that will allow it to control its

own destiny. Unbeknownst to most faculty, there has been a huge consolidation of bookstores on the campuses of major colleges and universities, led by the most ambitious of consolidators—Barnes & Noble—which owns and operates the bookstores of more than 500 colleges and universities. Once again, however, this trend to outsource and privatize bookstores has inevitably reduced independent decisions about what books go on the shelves.

Online booksellers

In recent years, university presses have seen their online sales increase, as a percentage of sales, but not at a rate that would compensate for decreased sales through traditional outlets. Independent bookstores have also gone online, but in aggregate, online bookselling poses yet another threat. Able to negotiate high discounts from publishers and, in turn, offering substantial discounts to customers, Amazon.com and BarnesandNoble.com are now major players in the book trade. By selling used books, they further undermine new trade sales.

Niche publishing

For many of the smaller university presses, success and survival depend upon the ability of the press to find or create, then develop and sustain, a niche market. In some cases, the successes have been profound. The University of Oklahoma Press and University of Nebraska Press both began publishing histories of the American West at a time when there was little scholarly interest in the field. The presses at Louisiana State University and the University of North Carolina have done the same with regard to the American South. Their well-established lists flourished when the fields caught on.

Two strategic problems exist within niche publishing. First, as a niche expands and proves to be sustainable, other presses are drawn to it, often bringing greater resources to bear and attracting authors away from the presses who launched them. Second, since the number of books sold from within a niche is all too finite, a press that publishes for a niche can find its books competing with each other. All successful fields are prone to over publication; niche publishing is particularly vulnerable.

Libraries

The academic world clings tenaciously to the fantasy that college and university libraries will buy enough copies of a book or journal to pay the publisher's

expenses. In fact, academic libraries have been increasingly unable to keep up with the pace of scholarly publishing and have been making one hard decision after another. They have had to specialize their collections, rely more on inter-library loaning, and gradually shift their acquisitions from books to journals and databases.

The Association of Research Libraries reports that between 1996 and 2001, acquisition of monographs (actual number of copies) dropped 5.16 percent.^{xiii} From 1996 to 2001, university library expenditures on university press books increased only \$6.2 million, while university library expenditures on trade press titles increased \$28.4 million.^{xiv} The slow, steady deterioration of the university library market directly depletes the traditional income of university presses.

Course adoptions

University presses have tried to take some fraction of the lucrative textbook market by publishing supplementary texts and have tried to make these attractive to teachers by publishing them in paperback.^{xv} For a while, numerous university presses were publishing most or all of their new books simultaneously in both hardback and paperback, hoping that some number of them would catch on and be adopted year after year. But again, in the face of high publishing costs this hope has faded like a mirage.

Such collections meet another competitor: course packs—essays and book excerpts photocopied and bound for one-time use.^{xvi} Course packs are attractive because they enable teachers to customize an anthology to suit their specific needs. This is a costly benefit: Course packs are notoriously expensive. When a course pack provider is honest, copyright fees are paid and passed on to students. Since the course pack typically changes from term to term, students cannot sell them back and recover some fraction of their investment. However, a sequence of copyright infringement cases makes it clear that a large number of course pack providers are, in fact, not honest, and do not pay copyright fees or acquire permissions, violating copyright and depriving authors of rightful income. Either way, course packs take market share away from published anthologies and collections of essays, depriving publishers of sales and income. “Every course pack assigned is a university press book unsold.”^{xvii}

Benefits of the Trade Market

Despite its mists and mires, the trade market is an index of real interest, with real benefits. It exerts discipline on costs and schedule, affecting everything from the cover art and the size of a print run to the choice of paper and type.

Full-page ads in major media may cost the moon, but positive reviews in the same venues shine on happy universities. Whenever the *New York Times Book Review* praises the University Press of Kansas, that praise resounds to the University of Kansas, and to Kansas. The national reputation of the University of Minnesota Press enhances the university's humanities departments. When Duke University, New York University and Texas A&M campaigned to improve their national profiles, they invested promptly and well in strengthening their presses, and pushed their presses more deeply into the trade market.

Success in the trade market is a sign of professional skill and prestige— sales are oxygen, protein, plasma and electricity. “All of the available statistical data point clearly to the overarching importance of the general reader to university press publishers. This channel must be cultivated if university presses are to become more financially viable during a time of reduced institutional subsidies, a stagnant library market and intense competition from commercial academic publishers.” xviii

Pitfalls of the Trade Market

Prudence and experience warn, however, that serious pitfalls lie before presses entering the trade market.

Author expectations

Authors who want their books to be trade books want many things: a brag-worthy cash advance and royalties, more marketing, more free copies. When an excellent scholar with an excellent book insists it should be a trade book— though perhaps only the author's editor and a few hundred other people could possibly comprehend how excellent it is—an editor who wants to publish excellent work may give in, rather than lose the author to another publisher. Since university presses need to compete in the trade—and the trade market was, “by 1999, the most important segment of university press revenues and unit totals”^{xix}—they will sometimes give authors the benefit of the doubt and commit the trade mistakes: publish too many copies of an excellent book, sell it at too high a discount, lose money, then call the book a failure.

Authors want publishers to take risks, advertise liberally, give books to celebrities who might write reviews—go all out to get maximum exposure, even if the costs of getting it would impoverish and endanger the publisher. Because the costs of trade publishing are higher, however, the risks are greater, and money spent on selling books cannot be spent on making them. While trade dis-

counts may lead to more placements initially, they also lead to shorter shelf life. A trade book is not a book for the ages. It needs to succeed within six months or is exiled to the remainder table.

Finally, the trade market encourages the star system, with its nuisances and silliness. It encourages wishful imitation and trendy titles. In 1975, Cornell University Press published Jonathan Culler's *Structuralist Poetics*, and in 1977, published Tsvetan Todorov's *The Poetics of Prose*.^{xx} Soon came a parade of "poetics," with titles like *The Poetics of Appalachian Space*, *The Poetics of Gardens*, *The Poetics of Death*, *The Poetics of Decadence*, *The Poetics of Empire in the Indies*, *The Poetics of Old Age in Greek Epic*, and so on.

Acquisitions, copy-editing and proofreading

The performance of university presses is traditionally judged by the number of new titles acquired and the nature of their reception. Author loyalty, strong reviews and scholarly awards are underlying goals. In the trade market, by comparison, the key criterion is how much income is generated. A press that publishes a handful of books that turn a profit is a greater success than one that publishes large quantities of scholarship but barely scrapes by. This market principle doesn't consider promotion, tenure or contributions to knowledge; its application is indifferent to notions about enlightenment and mass education. The reliance of the humanities upon monographs is well documented,^{xxi} but monographs seldom make it in the trade and can seldom fetch the high prices of sci-tech books.

To cut costs, many university presses—including some of the largest and most prestigious—often hasten copy-editing, skip proofreading, fit books into format designs and publish "product" with the affection of a mill. There is too little time, in addition to staff being too strained, to make the book better—much less make it all it could be—if it will only sell in the hundreds instead of the thousands or perhaps tens of thousands.

Marketing costs

Whatever the fluctuations in the market in recent decades, university press expenditures on marketing have remained relatively constant: between 17 percent and 20 percent of sales.^{xxii} Marketing staff usually play a leading role in

determining the title of a book, the number of copies to be printed, its price and the design of a book's cover. Most subtle and most important, marketing staff determine at what discount a book should be sold.

Trade marketing tactics increase university press costs in three ways: (1) more review copies must be printed; (2) more time and expense must be allocated for arranging book signings and author appearances; and (3) much more money needs to be spent on advertising in order to reach a wider readership. A full-page ad in the *New York Times Book Review* costs as much as the total cost of publishing a typical university press monograph.

New production demands

Trade publishing brings greater constraints in pricing as well as more stress and more risks in terms of the number of copies sold. The market power of the superstores demanded uniform packaging and labeling, long-term credit and higher discounts. Discounts are a favorite tool of sharp practice. The ability of large commercial publishers to make preferential arrangements with large retailers undercuts both the smaller retailers and the smaller publishers, including university presses.

Trade press publishing leads to overproduction, not of one kind but two: print runs and new titles. Overproduction of copies is the price of unchecked optimism; overproduction of titles is the price of competition. Needing more revenue, university presses began publishing more books in the 1980's and 1990's. They had to spend more time and more money on books for readers less interested in finely focused research—leading to books written faster, less carefully refereed and less revised. Efforts to succeed through list expansion were valiant and determined, but to what end? Between 1996 and 2001, unit sales of university press books plateaued, and then decreased in the face of the 2001 recession (see Table 1).^{xxiii}

TABLE 1: University Press New Titles Published: 1980-2001^{xxiv}

	1980	1990	2000	2001	2002
University of California Press	199	260	297	275	180
Cambridge University Press	543	1006	2376	2394	2148
University of Chicago Press	210	255	272	262	247
Columbia University Press	109	152	150	191	153
Cornell University Press	79	144	189	146	158
Duke University Press	11	69	100	98	107
The University of Georgia Press	35	76	81	73	68
Harvard University Press	119	121	140	117	138
University of Illinois Press	47	120	166	160	160
Indiana University Press	79	185	169	191	138
Johns Hopkins University Press	113	133	191	245	228
Louisiana State University Press ⁶¹	61	88	74	68	
University of Michigan Press	31	81	183	155	160
University of Minnesota Press	41	38	109	106	105
MIT Press	101	190	225	245	300
University of Nebraska Press	68	99	148	134	157
New York University Press	43	128	125	115	110
University of North Carolina Press	83	74	97	101	117
University of Oklahoma Press	72	83	86	94	90
Oxford University Press	802	1335	2250	2256	1917
Princeton University Press	136	201	275	269	301
Rutgers University Press	21	70	80	85	88
University of Texas Press	75	60	84	87	91
University of Toronto Press	92	114	147	134	148
Yale University Press	81	206	301	236	319

The book trade is unique among trades in that it allows returns: If a bookstore cannot sell a book, it can return the book to the publisher for full credit.^{xxv} A book that a publisher sold in January can come back in December. When returns come back in large numbers, what had been considered a great success can quickly convert into financial disaster.

During the recession of 2001, university presses had to absorb returns in unprecedented numbers; those belonging to the Association of American Publishers reported average returns in 2001 of 20.2 percent (cloth) and 24.6

percent (paperback). Processing returns is especially expensive, requiring close attention to invoices and credit history, plus the labor of unpacking, sorting and restocking.

Bankruptcy

The bankruptcy of both the Yale Co-op in 1999 and the University of Kentucky's UK Bookstore in 2001 brought to the campus a problem that haunts the book trade: In the trade, businesses oftentimes fail. The bankruptcies of Crown Books in 1998 (and again in 2001) and Wallace's Bookstores in 2002 resulted in university presses absorbing serious losses and bearing legal expenses in order to recover a fraction of what was owed to them.

With Amazon.com's perpetual indebtedness and the discount duel between Borders and Barnes & Noble, the risk of one or more major bankruptcies is all too real. A university press with unsold inventory in the possession of a bankrupt company cannot ask for it back; it is held as an asset until liquidated for cents on the dollar.

Conclusion

It is plain that the value of a book may bear very little relation to its price. The best edition of James Fenimore Cooper's *The Last of the Mohicans* is published by the State University of New York (SUNY) Press in paperback at \$19.95—and it competes with the Modern Library's and Penguin's \$9.95 editions, Bantam's and Signet's \$4.95 editions, and Dover's \$3.50 edition. A pure marketer would snipe at the SUNY Press edition for its attention to details like punctuation and spelling, stages of revision and publishing history. But when the Library of America was establishing its list of American classics, it turned to the SUNY edition for its copy text. Similarly, Northwestern University Press's critical editions of Herman Melville's works and the University of Nebraska's editions of Willa Cather's novels must compete with editions that pay little or no heed to the complex textual histories of the novels.

The intense competition of the trade market relegates everything else a university press does to somewhere beneath receipts. This includes the encouragement and development of research; attention to language and citation; academic visibility; public outreach; on-campus publishing advice; exercise of academic freedom; familiarity with traditions—all are subordinate to sales. Rather than values in and of themselves, these features become by-products.

The presumed rationale for university presses entering the trade market—to make the money to publish scholarship—leads to the elevation of sales above scholarship, with painful results.

If university presses must enter the trade market or else, much fine scholarship will never be published at all. The prospect of publishing non-marketable scholarship online highlights the problem but does not solve it: Electronic publishing is not cheap, and no market yet exists for selling individual scholarly works online. Authors want their works in print; and as some scholarship necessarily migrates to bytes, the prestige of the book—especially the trade book—increases.

It is marvelous that so many university presses have managed to serve two masters for so long and so well: the trade market and high academic standards. By laboring in the trade market, they have acquired expertise that makes them more valuable to their universities. If university presses are to continue to advance scholarship, if they are to survive market downturns and remain the champions of creativity they were founded for, they must be shielded by subsidy or endowment.

ENDNOTES

ⁱ Jeanneret, M. The University as Publisher. In E. Harman, ed., *The University as Publisher*. Toronto: University of Toronto Press, 1961, 11.

ⁱⁱ For a long list of what value a university press adds, see “The Value of University Press” on the Web-site of the Association of American University Presses: <http://aaupnet.org/news/value.html>.

ⁱⁱⁱ The University of Texas Press, Texas A & M University Press, Texas Christian University Press, Texas Tech University Press, Texas Western Press.

^{iv} Association of American Publishers. *Industry Statistics*, March 2003. Numbers are for calendar year 2002. The numbers for university presses are partial; only 29 university presses are members of AAP.

^v *Book Industry Trends 2002*. Matawan, N.J.: Book Industry Study Group, 2002, 42.

^{vi} Reid, C. More books, more publishers, higher prices. *Publishers Weekly* (June 2, 2003) 9.

^{vii} American Booksellers’ Association. *Bookweb* (May 1, 2003).

viii *Book Industry Trends 2002*, 41.

ix Underwood, R. G. *Production and Manufacturing Problems of American University Presses*. New York: Association of American University Presses, 1960, 5.

x Reid, 9.

xi Kornhaber, D. Read between the lines: Book superstores threaten the American literary future. *Perspective* (February 2, 1999). Available online at www.ioba.org/newsletter/V7/meskis.html. See also, Economic impacts of local merchants versus chain retailers. *Civic Economics* (December 2002).

xii Economic Impacts of local merchants versus chain retailers. *Civic Economics* (December 2002).

xiii Kyrrilidou and Young. *ARL Supplementary Statistics, 1999-2000*. Washington, D.C.: Association of Research Libraries, 2001. "In 1986, the typical ARL library subscribed to 16,173 serials and bought 32,425 monographs for 16,684 students and 1,125 faculty. In 2002 it bought 17,676 serials and 30,752 monographs for 19,911 students and 1,295 faculty."

xiv *Book Industry Trends 2002*, 235.

xv In 2001, the college textbook market accounted for \$3.469 billion in sales (AAP, 2001 *Industry Statistics*, T-1).

xvi Reid, 12.

xvii Davidson, C. N. Understanding the economic burden of scholarly publishing. *Chronicle of Higher Education* (October 3, 2003) B9.

xviii Greco, A. N. The general reader market for university press books in the United States, 1990-99, with projections for the years 2000 through 2004. *Journal of Scholarly Publishing* (January 2001) 82.

xix *Ibid*, 68.

xx Grossman Publishers Inc. had shown the way with Gaston Bachelard's *The Poetics of Space* in 1964 and *The Poetics of Reverie* in 1969.

xxi Thompson notes that 91.3% of citations in articles by molecular biologists were to journal articles, while the large majority of citations by humanists consistently favor books. Thompson, J. W. The death of the scholarly monograph in the Humanities? *Libri* (2002) 52, 124.

xxii Annual statistics reports of the Association of American University Presses.

xxiii *Book Industry Trends 2002*, 152.

^{xxiv} Numbers in this table are derived from the annual *Directory* of the Association of American University Presses. Each press reports its own numbers to the AAUP.

^{xxv} Actually, not quite unique. Sound and video recordings are also subject to return.